



HOEKSTRA TRANSPORTATION

Dear valued customer:

We are writing today to make you aware of a few substantial changes to our industry and product lines as it relates to the buses you order and operate. These changes will affect current and future orders from the MDOT Small and Medium Duty bus contracts.

We are all painfully aware of the effects Covid-19 has had on the transit industry. As we adapt to these changes, we have seen suppliers, manufacturers and vendors reduce staff, cut production and deal with supply chain shortages. Commodity pricing has skyrocketed causing further disruption.

One of the primary shortages in the supply chain has been in the micro-chips used in the chassis we build our buses and vans on. Without the needed micro-chips there are no chassis. Without chassis, we can not build buses. Although we have been optimistic and hopeful that the shortages would be short lived, it is now apparent that they will take much longer to resolve than previously expected. Chassis allocation is extremely limited and significantly below the current order requirements.

In order to survive this multi-year delay in business volume, our manufacturer, Forest River Inc., has been forced to consider all options including the consolidation of products and workforce. Here are the bullet points:

1. Forest River Inc. has made the necessary decision to reduce its manufacturing plants from 6 down to 1.
2. The plant closures will include the Champion and Eldorado plant in Imlay City, Michigan.
3. The production of buses will be relocated to the main plant in Goshen, Indiana.
4. Due to low volume nationally and lack of production supplies, Forest River is eliminating the Eldorado composite bus body.
5. They will continue to offer the metal cage construction models, including the Eldorado and Champion metal cage.

Many agencies have had buses on order for quite some time waiting for chassis to arrive. In order to preserve these order slots in the production timeline, it is going to be necessary to switch any composite Eldorado orders to the metal cage versions. Forest River has agreed to

this and to honor pricing and production slots so no time will be lost. This is important as they are receiving approximately 1000 orders a month while chassis allocation is significantly less.

In conjunction with MDOT personnel, Hoekstra Transportation will be transferring any composite bus orders onto the metal cage order forms and distributing the revised forms to affected agencies. Body construction should be the only items affected and your option content will remain the same.

We understand that this is not ideal, and that change is often difficult. We will do our very best to make this transition as seamless as possible and to continue to support MDOT and our partner agencies in these unprecedented times. As always, we are available by phone or email and will do our best to answer any questions you may have.

Please keep your eyes out for further information and updates as we navigate these challenges.

Very Best Regards,

A handwritten signature in black ink, appearing to read 'SBolin', with a stylized flourish at the end.

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